

ORIGINAL

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EXCEPTION

1 OFFICE OF THE CITY ATTORNEY
GARY VERBURG, City Attorney
2 State Bar No. 005515
200 West Washington, Suite 1300
3 Phoenix, Arizona 85003-1611
Telephone (602) 262-6761
4 Fax (602) 524-7524
Email: law.civil.minute.entries@phoenix.gov

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5 CYNTHIA S. CAMPBELL, State Bar No. 016874
6 Assistant City Attorney
Email: cynthia.campbell@phoenix.gov

7 Attorneys for Intervenor City of Phoenix

8 BEFORE THE ARIZONA CORPORATION COMMISSION

9 COMMISSIONERS:

10 GARY PIERCE, Chairman
11 SANDRA D. KENNEDY
12 PAUL NEWMAN
13 BOB STUMP
BREND A BURNS

Arizona Corporation Commission

DOCKETED

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DOCKETED BY

14 IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
15 CORPORATION, FOR A DETERMINATION
OF THE CURRENT FAIR VALUE OF ITS
16 UTILITY PLANT AND PROPERTY AND
FOR INCREASES IN ITS RATES AND
17 CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS
18 ANTHEM/AGUA FRIA WASTEWATER
DISTRICT, SUN CITY WASTEWATER
19 DISTRICT, AND SUN CITY WEST
WASTEWATER DISTRICT.

DOCKET NOS. W-01303A-09-0343
and SW-01303A-09-0343

**CITY OF PHOENIX
EXCEPTIONS TO
RECOMMENDED OPINION AND
ORDER ISSUED APRIL 10, 2012**

21 The City of Phoenix (Phoenix), through its City Attorney, Gary Verburg, by his
22 Assistant, Cynthia S. Campbell, files the following exceptions to the Recommended

OFFICE OF THE CITY ATTORNEY
GARY VERBURG, City Attorney
200 W. WASHINGTON, SUITE 1300
PHOENIX, ARIZONA 85003-1611

1 Decision dated April 10, 2012 and requests that the Arizona Corporation Commission
2 (Commission) considers these exceptions and adopts the proposed changes as part of the
3 Final Decision in this docket.

4 1. On April 10, 2012, Administrative Law Judge Teena Jibilian issued her
5 Recommended Opinion and Order in the above referenced docket number (Recommended
6 Decision).

7 2. By Procedural Order dated April 18, 2012 all parties were granted an extension to
8 file their exceptions to the Recommended Decision until April 27, 2012.

9 3. On page 43 of the Recommended Decision, Administrative Law Judge Jibilian
10 proposes the following order:

11 IT IS FURTHER ORDERED that EPCOR Water (USA) shall file the system-
12 wide rate filing as ordered by Decision No. 72047 that includes all of the
13 affected districts, including the Sun City West Wastewater district, as soon as
14 possible

15 Neither Decision No. 72047 nor the Recommended Decision requires EPCOR to submit
16 such rate filing by a date certain. Phoenix requests that the Commission remove the words
17 "as soon as possible" and replace them with a date certain in order that all parties to this
18 docket, including Phoenix, have some certainty regarding the timing of a subsequent rate
19 filing.

20 4. On pages 43-44 of the Recommended Decision, Administrative Law Judge Jibilian
21 proposes the following order:

22 IT IS FURTHER ORDERED that the above-ordered system-wide rate filing
shall include full cost of service studies and other information supporting
consolidation sufficient for all parties to make their own reasoned proposals
either for or against consolidation or deconsolidation, consistent with sound
ratemaking principles.

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200 W. WASHINGTON, SUITE 1300
PHOENIX, ARIZONA 85003-1611

1 The Recommended Decision does not require EPCOR to complete a full cost of service
2 study by a date certain. Considering that EPCOR (through its predecessor in interest
3 Arizona-American) has stated on the record that it would take until 2013 just to review the
4 data from the Agua-Fria Wastewater District,¹ the Commission should insert a date certain
5 within the Final Decision in this docket for EPCOR to complete a cost of service study.

6 WHEREFORE, the City of Phoenix requests that the Commission consider its
7 exceptions and adopt the proposed changes to the Recommended Decision at the public
8 hearing on this docket in May 2012.

9 RESPECTFULLY SUBMITTED this 24th day of April, 2012.

10 GARY VERBURG, City Attorney

11 By Cynthia S. Campbell
12 CYNTHIA S. CAMPBELL

13 Assistant City Attorney
14 200 W. Washington, Suite 1300
15 Phoenix, Arizona 85003-1611

16 Original and 13 Copies of the
17 foregoing hand delivered this 24th day
18 of April, 2012 to:

19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington
22 Phoenix, AZ 85007

¹ Recommended Decision dated April 10, 2012, page 30 (citing EPCOR (Arizona-American) Reply Brief at 2-3).

1 Administrative Law Judge
Arizona Corporation Commission
2 1200 W. Washington Street
Phoenix, Arizona 85007
3 Copies of the foregoing mailed
this 24th day of April, 2012, to:
4
Thomas M. Broderick
5 EPCOR
2355 W. Pinnacle Peak Road, Suite 300
6 Phoenix, AZ 85027
7
Craig A. Marks
10645 N. Tatum Blvd., Suite 200-676
8 Phoenix, AZ 85028
Attorney for EPCOR, USA
9
Sun City Grand Community Assoc.
10 Palm Center
19736 N. Remington Drive
11 Surprise, AZ 85374
12
Daniel W. Pozefsky
Chief Counsel
13 Residential Utility Consumer Office
1110 West Washington Street, Suite 220
14 Phoenix, AZ 85007
15
Steve Olea
Utilities Division
16 Arizona Corporation Commission
1200 W. Washington Street
17 Phoenix, AZ 85007
18
Maureen Scott
Robin Mitchell
19 Legal Division
Arizona Corporation Commission
20 1200 W. Washington Street
Phoenix, Arizona 85007
21
22

- 1 Judith M. Dworkin
Roxanne S. Gallagher
- 2 Sacks Tierney PA
4250 N. Drinkwater Blvd., Fourth Floor
- 3 Scottsdale, AZ 85251-3693
- 4 Lawrence V. Robertson, Jr.
P.O. Box 1448
- 5 Tubac, AZ 85646-1448
- 6 W. R. Hansen
12302 W. Swallow Drive
- 7 Sun City West, AZ 85375
Phoenix, AZ 85007
- 8 Larry Woods
- 9 Property Owners and Residents Assoc.
13815 E. Camino Del Sol
- 10 Sun City West, AZ 85375-4409
- 11 Bradley J. Herrema
Robert J. Saperstein
- 12 Brownstein Hyatt Faber Schreck, LLP
21 E. Carrillo Street
- 13 Santa Barbara, CA 83101
- 14 Greg Patterson
Water Utility Association of Arizona
- 15 916 W. Adams, Suite 3
Phoenix, AZ 85007
- 16 Philip H. Cook
- 17 10122 W. Signal Butte Circle
Sun City, AZ 85373
- 18 Andrew M. Miller, Town Attorney
- 19 Town of Paradise Valley
6401 E. Lincoln Drive
- 20 Paradise Valley, AZ 85253
- 21 Desi Howe
Anthem Golf and Country Club
- 22 2708 W. Anthem Club Drive
Anthem, AZ 85086

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3
4
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9
10
11
12
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15
16
17
18
19
20
21
22

Michele Van Quathem
Ryley Carlock & Applewhite
1 N. Central, Suite 1200
Phoenix, AZ 85004

Joan S. Burke
Law Office of Joan S. Burke
1650 N. First Avenue
Phoenix, AZ 85003

Marshall Magruder
P.O. Box 1267
Tubac, AZ 85646

By Kathleen Badillo
CSC/969830v1

OFFICE OF THE CITY ATTORNEY
GARY VERBURG, City Attorney
200 W. WASHINGTON, SUITE 1300
PHOENIX, ARIZONA 85003-1611